



COUNTY OF PLACER

OFFICE OF THE AUDITOR-CONTROLLER

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January 18, 2023

Ms. Samantha Henley, Administrative and Fiscal Officer I
Placer County Community Development Resource Agency
3091 County Center Drive, Suite 160
Auburn, CA 95603

Re: Countywide Procurement Card Program Monitoring Review

Dear Ms. Henley:

The Internal Audit Division of the Auditor-Controller's Office routinely reviews and/or audits the Procurement Card purchases. The objective of this monitoring review was to review Procurement Card usage during the statement period from March 12, 2022 through July 1, 2022 for compliance with County policies.

We reviewed a sample of the Community Development Resource Agency's (Agency) Procurement Card purchases and related documentation files to ensure the Office's compliance with current policies and procedures, and to determine if adequate internal controls are in place and operating as designed. Based on our monitoring review, we determined there were multiple instances of non-compliance with County policies and procedures related to Procurement Card purchases, as well as areas where internal controls could be strengthened. Accordingly, our observation and recommendation are as follows.

Observation – Approving Statements by Emulation

During our review, we found that a former Limited Program Administrator (LPA) from the Agency was approving Cardholder statements on a regular basis (month after month) on behalf of the Approvers by the use of emulation. Specifically, the LPA emulated the user profile of the Approvers to approve the statements of the Cardholders that were assigned to them. However, it is the responsibility of the designated Approver (or Secondary Approver if assigned) to approve the Cardholder's statements. On the other hand, the primary function of LPA is to provide accounting assistance and ensure documentation is provided for transactions. This individual is no longer with the County.

Section 1.2 of the Procurement Card Procedures Manual (PCPM) discusses the role of LPA which includes "review transactions and ensure proper accounting coding" as well as "ensure that appropriate documentation is included for transactions for auditing purposes". LPA also "serves as the final point of review for all department accounting entries for Procurement Card activity".

Section 3.2 of the PCPM also states that, "If any Approver is unable to review their statement within the required period because they are unable to access the Bank's online system, they must request the LPA or Program Administrator to assign a Secondary Approver to complete the reconciliation process."

Recommendation

We recommend the LPAs and Approving Officials revisit PCPM to understand their roles and responsibilities within the Procurement Card Program and ensure that only the designated Approvers are allowed to approve Cardholders' statements in Wells Fargo.

We appreciate the courtesy and cooperation of the Agency's staff throughout the course of the review.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Nicole C. Howard'.

Nicole C. Howard, CPA
Assistant Auditor-Controller

cc: David Kwong, Director, Community Development Resource Agency
Casey High, Administrative and Fiscal Operations Manager
Brett Wood, Purchasing Manager, County Executive Office
Placer County Audit Committee